<u>REMARKS</u>

Applicants have carefully reviewed the Final Office Action mailed August 28, 2006. Favorable reconsideration is respectfully requested in light of the above amendments and the following comments. Claims 1, 7 and 13 have been amended for clarity as well as to include elements of claims 5, 11 and 17, respectively, which have subsequently been canceled. No new matter has been entered as a result of these amendments. Moreover, no new issues have been raised as the elements of claims 5, 11 and 17 would have already been considered by the Examiner. Entry of this After-Final Amendment is respectfully requested.

Applicants respectfully traverse the Examiner's rejection of claims 1, 3-6, 13 and 15-18 under 35 U.S.C. §102(b) as anticipated by Hayashi et al., U.S. Patent No. 6,122,914. In order to anticipate, the cited reference must disclose each and every claimed element. Hayashi et al. fail to do so, especially with respect to the amended claims.

An important feature of the present invention is that a high pressure oil chamber and a low pressure oil chamber are juxtaposed along an axial direction in the cylinder block so as to be closer to the shaft than the first and second plunger holes. A spline section is formed in the shaft, and the shaft is fit into the cylinder block at the spline section. The low pressure oil chamber communicates with the spline section of the shaft. As a result, the spline section (21c) may be lubricated without requiring a lubricant path. This is described, for example, at page 33 of the instant specification.

Hayashi et al. do not disclose the claimed invention. Rather, Hayashi et al. describe a swash plate type continuously variable transmission that has a cylinder block (4) that is concentric with an output shaft (2) and that is splined to an intermediate portion of the output shaft (2) and that is fixed axially immovably on the output shaft (2) by a flange (12) and a sleeve (13). This is described, for example, at column 11, lines 11-14 of Hayashi et al. However, Hayashi et al. do not describe a low pressure oil chamber that communicates with the spline section of the shaft, and thus Hayashi et al. cannot be considered as anticipating the claimed invention.

Thus, independent claims 1 and 13 are patentable over Hayashi et al. The claims depending therefrom are similarly patentable and moreover add additional limitations. Favorable reconsideration is respectfully requested.

Applicants respectfully traverse the Examiner's rejection of claims 7 and 9-12 under 35 U.S.C. §102(b) as anticipated by or, in the alternative, under 35 U.S.C. §103(a) as unpatentable over Hayashi et al., U.S. Patent No. 6,122,914.

Claim 7 recites a power transmission that includes an hydraulic stepless transmission including, among other elements, a high pressure oil chamber and a low pressure oil chamber that are juxtaposed along an axial direction in the cylinder block so as to be closer to the shaft than the first and second plunger holes. The low pressure oil chamber communicates with a spline section of the shaft.

As discussed above, Hayashi et al. are silent as to this claimed feature. As one of the requirements of a *prima facie* obviousness rejection is that all of the cited elements must be shown or suggested, it is apparent that the *prima facie* obviousness rejection is flawed and should be withdrawn. Claim 7 is patentable over the cited reference. The claims depending therefrom are similarly patentable and moreover add additional limitations. Favorable reconsideration is respectfully requested.

Applicants respectfully traverse the Examiner's rejection of claims 13, 15, 17 and 18 under 35 U.S.C. §102(b) as anticipated by JP 2002-31209. In order to anticipate, the cited reference must disclose each and every claimed element. JP 2002-31209 fails to do so, particularly with respect to the amended claims.

As noted above, the claims have been amended to more particularly describe the invention by reciting that the hydraulic stepless transmission includes a high pressure oil chamber and a low pressure oil chamber arranged such that the low pressure oil chamber communicates with a spline section of the shaft.

JP 2002-31209 does not disclose the claimed configuration. Rather, the reference discloses a hydraulic device that includes a cylinder block (25) and a shaft (15). At an input side of the cylinder block (25), the cylinder block (25) is spline-coupled to the input shaft (15), as described for example at paragraph 0013 of the reference. However, the reference fails to describe the claimed feature in which the low pressure oil chamber communicates with the spline section of the shaft in order to lubricate the spline section. Thus, JP 2002-31209 cannot be considered as anticipating the claimed invention.

Appl. No. 10/517,030 AmdtAF dated November 28, 2006 Reply to Office Action dated August 28, 2006

Thus, independent claim 13 is patentable over JP 2002-31209. The claims depending therefrom are similarly patentable and moreover add additional limitations. Favorable reconsideration is respectfully requested.

Reexamination and reconsideration are respectfully requested. It is respectfully submitted that all pending claims are now in condition for allowance. Issuance of a Notice of Allowance in due course is requested. If a telephone conference might be of assistance, please contact the undersigned attorney at (612) 677-9050.

Respectfully submitted,

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By their Attorney,

Date: 11/28/06

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